



The Institute of Chartered Accountants of Pakistan

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2019

(UN-AUDITED)

REPORT OF THE COUNCIL

The Council is pleased to present the unaudited condensed interim financial statements of the Institute for the half year ended December 31, 2019 and a brief review of the Institute's activities.

Financial Highlights

The key financial results of the Institute for the half year ended December 31, 2019 are as follows:

	Half year ended December 31, 2019	Half year ended December 31, 2018
----- Rs. '000 -----		
Income	792,179	642,123
Expenditure	527,809	452,771
Excess of income over expenditure before income from investments	264,370	189,352
Income from investments	66,971	29,648
Total comprehensive income for the period	331,341	219,000

During the period under review, the Income has increased by 23.4% and Expenditure by 16.6% from that of the corresponding period of the previous year, resulting in 51.30% increase in the comprehensive income.

Activities

During the period, the activities of the Institute remained in line with its strategic plan. A brief of these activities is as under:

1. **The Institute as an AML/CFT Self-Regulatory Body**

The Institute has been notified and designated as an AML/CFT Regulator/Supervisor of its members, through Finance Division, Government of Pakistan, notification dated December 23, 2019. The Institute, as a designated AML/CFT Regulator/Supervisor of its members, shall act as a Self-Regulatory Body. In this regard, the Institute has developed an AML/CFT Framework for regulating and supervising its members, based on the FATF Recommendations and the Financial Monitoring Unit's (FMU's) directions. This AML/CFT Framework has been issued to the members for comments.

2. **National Finance Olympiad 2019**

ICAP Professional Accountants in Business (PAIB) Committee, in collaboration with Unilever Pakistan, organized National Finance Olympiad during December 12 to 19, 2019. Qualifying Round of the competition was participated by 51 teams;

31 from Karachi, 16 from Lahore and 4 from UAE. 18 teams progressed to the second round, that is, Assessment & Simulation Round, which was held at Karachi School of Business and Leadership. 6 top teams of the second round reached the Grand Finale held on December 19 in Karachi. EY Ford Rhodes claimed victory, winning the title of National Finance Champions 2019 while Midas Safety and Heal Aid Foundation were the 1st and 2nd Runner-ups respectively. The other three teams; Cherat Packaging Limited, Engro Fertilizers Limited and Grant Thornton Anjum Rahman (GTAR), secured 4th, 5th and 6th positions respectively.

This was the 5th year of organizing the competition which has become a flagship event for recognition of finance talent.

3. **XBRL Project**

The Accounting Standards Board has initiated a public interest project of Digital Financial Reporting in Pakistan in coordination with SECP. As part of the project, the Institute is developing iXBRL financial reporting taxonomy which is an integral part of the iXBRL system.

4. **Full implementation of e-marking**

ICAP commenced implementation of e-marking in a phased manner with effect from Spring 2019 Examinations. In Winter 2019, full implementation of e-marking was achieved and all papers of CFAP and MSA examinations were marked using e-marking software.

E-marking is a major step forward towards achievement of the Institute's objective of enhancing the use of technology in its system and processes. It would enhance the efficiency of processing results and would help expedite the process.

5. **South Asian Federation of Accountants (SAFA) Best Presented Annual Report Awards 2018**

The joint evaluation committee of ICAP and ICMAP nominated Pakistani companies, which won the Best Corporate Report and Sustainability Report Awards 2018, for the SAFA Best Presented Annual Report Awards 2018. The awards ceremony was organized in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) on November 29 and 30, 2019. Two awards and eighteen merit certificates were secured by Pakistani companies in their respective categories.

6. **Representation at Regional /International Forums**

Representatives from ICAP attended following Regional/International forums during the period from October 2019 to January 2020:

- i. IFASS & AOSSG Meeting in London, United Kingdom
- ii. AAOIFI Meeting in Bahrain
- iii. NASC Forum in Xiamen, China
- iv. CAPA Board & Committee Meetings in Vancouver, Canada
- v. CAW Meeting in Vancouver, Canada

- vi. IFAC Board Meeting in Vancouver, Canada
- vii. SAFA Meeting & Events in Dhaka, Bangladesh
- viii. Annual Dinner – UAE Chapter of ICAP members in Dubai, UAE

7. **Launch of CA Women on Board Directory**

The Institute launched CA Women on Board Directory on January 24, 2020 in a prestigious ceremony held at Pakistan Stock Exchange. The directory is a compilation of details of over 350 CA Women who are eligible for appointment as independent directors on the Boards of Public Interest entities. The directory would provide much needed support to listed companies in nominating independent women directors on their boards.

8. **Representation of ICAP in the One Young World (OYW) Summit 2019 in London**

Ms. Izz Ghana Ansari, a young CA from Islamabad represented ICAP at OYW Summit 2019 held in London during October 21 to 25, 2019. She was selected to represent ICAP through a rigorous selection process carried out by the Institute.

9. **President ICAP attends Networking Dinner organized by the UK Chapter of ICAP Members**

UK Chapter of ICAP Members arranged a networking dinner with Mr. Khalilullah Shaikh, President, Institute of Chartered Accountants of Pakistan, in London on November 7, 2019. The President apprised CA fraternity about the vision of the current Council and briefed them about a number of important initiatives currently in progress to modernize the Institute.

10. **Meet your Representative Session, Peshawar**

A Meet Your Representatives session was organised at ICAP office Peshawar on November 18, 2019. The session was chaired by President ICAP Mr. Khalilullah Shaikh along with Vice President North Mr. Rana Muhammad Usman Khan, Council Member Mr. Saifullah and Secretary ICAP. The session provided an excellent opportunity to the members to interact with the elected representatives for a better understanding of the functioning of ICAP and various initiatives taken by the Institute. The members also shared their suggestions & feedback.

11. **President attends Annual Dinner organized by UAE Chapter and meets the Ambassador of Pakistan to UAE**

ICAP delegation led by Mr. Khalilullah Shaikh, President ICAP and Mr. Ashfaq Tola, Council Member, attended the Annual Dinner organized by UAE Chapter of ICAP members on January 31, 2020 in Dubai. The event was also attended by H.E. Ghulam Dastgir Ambassador of Pakistan to the UAE and a large number of dignitaries and ICAP members.

Later the ICAP delegation met the Ambassador to UAE at Pakistan House Abu Dhabi and exchanged views on matters of mutual interest.

12. **Mentoring Session for CA Female Trainees**

The CA Women Committee of ICAP organized a Mentoring Session for CA Female Trainees on October 18, 2019 at ICAP House, Lahore. Participants were briefed about the role of CA Women Committee in promoting the professional growth of the female CA students. An Ice Breaker activity was executed to give a chance to the participants to know each other. Eminent female Chartered Accountants were invited as panelists who provided guidelines to the audience on a wide array of areas such as challenges in the life of a CA student, exam preparation techniques and tips for time management, work life challenges, workplace harassment, communication and interpersonal skills, etc.

The Council would like to extend its gratitude to all the stakeholders, including the contributions made by the Committees, and thanks the management and staff for their dedication and hard work.

By the Order of the Council

**Syed Masood Akhtar
Secretary**

Karachi, February 29, 2020

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Chartered Accountant
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Kehkashan Clifton,
Karachi – Pakistan.

Syed Aftab Hameed
Chartered Accountant
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To the members of Institute of Chartered Accountants of Pakistan
Report on Review of Condensed Interim Financial Information

We have reviewed the accompanying condensed interim statement of financial position of The Institute of Chartered Accountants of Pakistan (“the Institute”) as at December 31, 2019, and the related condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in funds and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as the “interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

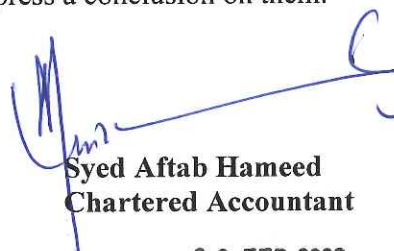
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the interim statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed and we do not express a conclusion on them.



Muhammad Shabbir Kasbati
Chartered Accountant


Syed Aftab Hameed
Chartered Accountant

29 FEB 2020

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

		December 31, 2019	June 30, 2019
		Un-audited	Audited
	Note	----- Rupees in '000 -----	----- Rupees in '000 -----
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	720,830	682,362
Intangible assets	6	5,933	6,798
Long term investments	7	345,828	346,695
Loans, advances and deposits		15,141	9,122
		1,087,732	1,044,977
CURRENT ASSETS			
Stock of study packs, publications and souvenirs	8	29,995	15,334
Short term investments	9	759,391	478,403
Loans, advances, prepayments and other receivables		36,047	39,486
Accrued income on investments		9,418	9,589
Cash and bank balances	10	51,555	20,627
		886,406	563,439
TOTAL ASSETS		1,974,138	1,608,416
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities against right of use assets	11	10,965	-
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	12	109,364	119,654
Fee and charges received in advance		86,378	57,881
Current portion of lease liabilities against right of use assets		5,209	-
		200,951	177,535
CONTINGENCIES AND COMMITMENTS	13		
NET ASSETS		1,762,222	1,430,881
REPRESENTED BY:			
General Fund		1,389,632	1,073,899
Specific Fund		5,262	5,436
Endowment Funds		183,288	181,379
Regional Committees		34,965	37,382
Benevolent Fund		149,075	132,785
		1,762,222	1,430,881

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

CHIEF FINANCIAL OFFICER

SECRETARY

PRESIDENT

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

Note	Quarter ended		Half year ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- Rupees in '000 -----		----- Rupees in '000 -----	
INCOME				
Members' subscription and fees	7,493	10,137	208,697	173,990
Examination and other fees	195,520	162,783	421,926	341,694
Education and training fees	78,595	61,552	150,852	110,606
Publications	3,629	2,498	6,578	4,850
Other income	2,513	6,682	4,126	10,983
	287,750	243,652	792,179	642,123
SERVICE / OPERATIONAL EXPENDITURE				
Salaries, allowances and other benefits	74,875	74,949	147,877	138,812
Examination charges	51,645	39,773	101,611	72,735
Depreciation	11,272	8,394	19,237	16,336
Traveling and related expenses	6,695	13,630	14,159	19,256
Study packs and other publications	17,974	14,941	34,244	26,309
Utilities	7,902	6,147	19,047	14,730
Network and communication	5,720	3,442	10,260	8,219
Repairs and maintenance	14,348	11,963	27,331	22,077
Printing and stationery	5,627	3,607	9,247	5,909
Rent, rates and taxes	3,054	4,669	8,348	9,308
Advertisement and marketing	2,768	4,913	6,443	6,719
Amortisation of intangible assets	812	1,147	1,565	1,707
Financial assistance to students	3,266	-	6,266	2,978
Financial assistance to members / members' families	6,817	5,976	13,693	11,746
Members induction ceremony	-	-	4,173	-
Edhi CA talent program	2,167	1,648	4,420	4,022
Vehicles maintenance and running cost	2,162	2,076	4,249	3,912
Legal charges	657	2,090	2,003	2,688
Professional charges	1,530	663	3,159	2,523
Interest expense on lease liabilities against RoU assets	1,227	-	1,227	-
Others	18,828	15,428	34,247	32,754
	239,346	215,456	472,806	402,740
ADMINISTRATIVE / MANAGERIAL EXPENDITURE				
Salaries, allowances and other benefits	28,210	20,117	52,532	48,122
Traveling and related expenses	540	309	540	583
Vehicles maintenance and running cost	1,070	816	1,931	1,326
	29,820	21,242	55,003	50,031
Total Expenditures	269,166	236,698	527,809	452,771
Excess of income over expenditure before income from investments	18,584	6,954	264,370	189,352
Income from investments	35,539	16,783	66,148	29,974
Excess of income over expenditure for the period	54,123	23,737	330,518	219,326
Other comprehensive income/(loss)				
Surplus/(deficit) on re-measurement of financial assets at fair value through other comprehensive income	1,113	(124)	823	(326)
Total comprehensive income for the period	55,236	23,613	331,341	219,000
ATTRIBUTABLE TO:				
General Fund	60,363	25,703	315,733	205,228
Specific Fund	146	94	(174)	178
Endowment Funds	1,362	2,470	1,909	1,807
Regional Committees	(6,163)	(2,003)	(2,417)	208
Benevolent Fund	(472)	(2,651)	16,290	11,579
	55,236	23,613	331,341	219,000

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

CHIEF FINANCIAL OFFICER

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**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	December 31, 2019	December 31, 2018
Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received against:		
Members' subscription and fees	180,113	157,930
Examination and other fees	479,783	368,863
Education and training fees	150,852	110,606
Sale of publications	6,927	4,142
Facilities and miscellaneous	2,784	8,141
	820,459	649,682
Cash paid against:		
Salaries, allowances and other benefits	198,569	184,055
Fees to professional bodies	8,180	3,134
Property tax	1,313	987
Short term lease payments	6,884	-
Supplies and services	311,667	243,491
	526,613	431,667
Net cash generated from operating activities	293,846	218,015
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments	(716,188)	(270,395)
Fixed capital expenditure	(49,701)	(25,943)
Purchase of intangible assets	(700)	(8,761)
Proceeds from sale of property and equipment	3,670	6,062
Income received from investments	66,320	43,676
Net cash (used in) investing activities	(696,599)	(255,361)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
- lease liabilities against right of use assets	(2,096)	-
- finance cost against lease liabilities	(289)	-
Net cash (used in) financing activities	(2,385)	-
Net decrease in cash and cash equivalents	(405,138)	(37,346)
Investment realisable within three months	295,862	206,322
Cash and cash equivalents - at the beginning of the period	456,693	116,458
Cash and cash equivalents - at the end of the period	347,417	285,434

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

CHIEF FINANCIAL OFFICER

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PRESIDENT

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	General Fund	Specific Fund	Endowment Funds			Regional Committees			Benevolent Fund *	Total
			Students' Fund	Libraries Development Fund	Sub total	Southern	Northern	Sub total		
						Accumulated Fund	Accumulated Fund			
----- Rs. in '000 -----										
Balance as at July 01, 2018	933,945	5,164	133,174	8,573	141,747	28,688	8,607	37,295	121,911	1,240,062
Fund balance reclassification	228	-	-	-	-	-	(228)	(228)	-	-
	934,173	5,164	133,174	8,573	141,747	28,688	8,379	37,067	121,911	1,240,062
Total comprehensive income for the period ended December 31, 2018										
Excess / (deficit) of income over expenditure for the period	205,228	178	1,586	221	1,807	(698)	906	208	11,905	219,326
Other comprehensive loss	-	-	-	-	-	-	-	-	(326)	(326)
	205,228	178	1,586	221	1,807	(698)	906	208	11,579	219,000
Balance as at December 31, 2018	1,139,401	5,342	134,760	8,794	143,554	27,990	9,285	37,275	133,490	1,459,062
Balance as at July 01, 2019	1,073,899	5,436	172,357	9,022	181,379	28,273	9,109	37,382	132,785	1,430,881
Total comprehensive income for the period ended December 31, 2019										
Excess / (deficit) of income over expenditure for the period	315,733	(174)	1,694	215	1,909	(2,175)	(242)	(2,417)	15,467	330,518
Other comprehensive income	-	-	-	-	-	-	-	-	823	823
	315,733	(174)	1,694	215	1,909	(2,175)	(242)	(2,417)	16,290	331,341
Balance as at December 31, 2019	1,389,632	5,262	174,051	9,237	183,288	26,098	8,867	34,965	149,075	1,762,222

* The Management Committee of the ICAP Benevolent Fund, in its meeting held on June 29, 2018, decided to merge "Special Reserve Fund" into accumulated fund.

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

CHIEF FINANCIAL OFFICER

SECRETARY

PRESIDENT

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

1. THE INSTITUTE AND ITS OPERATIONS

The Institute of Chartered Accountants of Pakistan (the Institute) is a statutory body, established under the Chartered Accountants Ordinance, 1961 (X of 1961) for the regulation of the profession of accountants in the country. The Institute is an approved non-profit organization, under sub section (36) of section 2 of the Income Tax Ordinance, 2001.

Regional Committees

The Council of the Institute has established two regional committees (i.e. Southern Regional Committee and Northern Regional Committee) to carry-out the functions as laid down in bye-law 90 of the Chartered Accountants Bye-Laws, 1983.

Endowment Funds

The Institute operates Students' and Libraries Development Endowment Funds to provide financial assistance to the deserving students and for development of ICAP libraries respectively. These Funds are governed by the rules approved by the Council. The contributions to the Funds include transfers by the Institute from its surplus as well as amounts received from other organizations.

Benevolent Fund

Benevolent Fund was established by the Council of the Institute to provide relief to deserving individuals who are or have been members of the Institute including their spouse, children and dependents of such members. The Fund is governed by the rules approved by the Council. Major source of the Fund is the contribution by the members in the form of annual subscription.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Institute for the half year ended December 31, 2019 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting'.

This condensed interim financial information is un-audited. The disclosures made in this condensed interim financial information have been limited in accordance with the requirements of IAS 34. This does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the audited annual financial statements of the Institute for the year ended June 30, 2019.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Institute for the year ended June 30, 2019, whereas the comparative condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in funds are extracted from the unaudited condensed interim financial information of the Institute for the half year ended December 31, 2018.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except for certain financial assets and liabilities which are carried at amortised cost or at fair value through other comprehensive income.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistan Rupees which is the functional currency of the Institute and figures are rounded off to the nearest thousand of rupees unless otherwise specified.

3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Institute for the year ended June 30, 2019 except for those as resulted on adoption of IFRS 16, Leases as stated in note 3.2.

3.2 Change in accounting policy due to first time adoption of IFRS 16

Previously, the Institute classified property leases as operating leases under IAS 17. From July 01, 2019, the Institute has applied IFRS 16 for recognition of the property leases, having non-cancelable period of more than one year, using the modified retrospective approach.

New accounting policies of the Institute upon adoption of IFRS 16 are:

Right-of-Use (RoU) assets

On initial application the RoU assets are initially measured at the present value of lease liability adjusted for lease prepayments. Subsequently, RoU assets are measured at cost, less accumulated depreciation and any impairment loss. RoU assets are depreciated on a straight-line basis over the lease term.

Lease liability

On initial application the Institute recognises lease liabilities measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the incremental rate of borrowing. Subsequently, the carrying amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

The effect of adoption of IFRS 16 as at July 01,2019 is as follows.

	July 01, 2019
	Rs. '000
Liabilities against RoU assets	17,332
Add: Lease prepayments	324
RoU assets	<u><u>17,656</u></u>

The carrying amounts of the Institute's right-of-use assets, lease liabilities and the movements during the period is as below:

	RoU asset	Lease liability
	Rs. '000	
As at July 01, 2019	17,656	17,332
Depreciation	(2,160)	
Interest expense on lease liabilities against RoU assets		1,227
Payments		(2,385)
As at December 31, 2019	<u>15,496</u>	<u>16,174</u>

Had this standard not been applied, assets and liabilities would have been lowered by Rs. 15.5 million and Rs. 16.17 million respectively. Rent expense would have been higher by Rs.2.385 million where as depreciation charge and finance charges would have been lowered by Rs. 2.16 million and Rs. 1.23 million respectively.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Institute's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Institute's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual financial statements of the Institute for the year ended June 30, 2019.

5. PROPERTY AND EQUIPMENT	Note	December 31,	June 30,
		2019	2019
		Un-audited	Audited
		----- Rupees in '000 -----	
Land	5.1	440,220	440,220
Operating fixed assets	5.2	271,291	238,332
Capital work in progress - civil		9,319	3,810
		<u>720,830</u>	<u>682,362</u>

- 5.1 This includes leasehold land at Preedy Street, Karachi, of Rs. 0.018 million, occupied by squatters. The members in its 51st Annual General Meeting held on September 20, 2012, has authorised the Council to proceed for the sale of the Preedy Street land at best available price.

This also includes Rs. 440.202 million paid to Lahore Development Authority (LDA) in respect of piece of land, measuring 10 Kanal, 19 Marla and 17 Square ft. in Gulberg, Lahore, acquired through auction during the year 2017-18. The Lahore Development Authority (LDA) has demanded CVT of Rs. 8.8 million vide its letter DEM-I/LDA/1802511 dated July 28, 2018. The management is of the view that the CVT has been abolished effective July 1, 2017 and since the transaction date falls after July 1, 2017 the CVT is not payable on this transaction.

The management has challenged this demand in the Court of Law and is confident that the said levy is not payable by the Institute. On an application by the Institute on July 19, 2019, Lahore High Court has issued a restraining order whereby LDA cannot transfer the said property to any third person.

The title of the Land is not yet transferred in the name of the Institute due to the pendency of the CVT issue.

5.2 Operating fixed assets	Note	December 31,	June 30,
		2019 Un-audited	2019 Audited
		----- Rupees in '000 -----	
Net book value at beginning of the period / year		238,332	236,978
Recognition of RoU assets on initial application of IFRS 16	3.2	17,656	-
		<u>255,988</u>	<u>236,978</u>
Additions during the period / year	5.2.1	38,214	44,041
Less:			
Disposals at book value: [having cost Rs. 10.883 million (June 30, 2019: Rs. 22.240 million)]	5.2.2	3,674	8,080
Written off at book value: [having cost Rs. nil (June 30, 2019: Rs. 2.234 million)]		-	502
Depreciation charge for the period / year	5.2.3	19,237	34,105
		<u>22,911</u>	<u>42,687</u>
Net book value at end of the period / year		<u><u>271,291</u></u>	<u><u>238,332</u></u>

5.2.1 Additions during the period / year at cost

Building on leasehold land	-	1,839
Electric fittings and appliances	2,020	8,964
Furniture and fixtures	6,867	5,138
Vehicles	11,303	21,767
Office equipment	18,024	6,333
	<u>38,214</u>	<u>44,041</u>

5.2.2 Disposals during the period / year at book value

Electric fittings and appliances	99	201
Office equipment	21	121
Vehicles	3,554	7,758
	<u>3,674</u>	<u>8,080</u>

5.2.3 This includes depreciation charge amounting to Rs. 2.16 million related to RoU assets.

6. INTANGIBLE ASSETS

Net book value at the beginning of the period / year	6,798	1,797
Additions during the period / year	700	8,761
	<u>7,498</u>	<u>10,558</u>
Amortisation during the period / year	(1,565)	(3,760)
Net book value at the end of the period / year	<u><u>5,933</u></u>	<u><u>6,798</u></u>

7. LONG TERM INVESTMENTS	Note	December 31,	June 30,
		2019	2019
		Un-audited	Audited
		----- Rupees in '000 -----	
At amortised cost			
General Fund	7.1	231,800	232,276
Specific Fund: Prize Fund	7.2	1,905	1,922
Endowment Funds	7.3	106,743	107,940
		340,448	342,138
At fair value through other comprehensive income			
Benevolent Fund	7.4	5,380	4,557
		345,828	346,695
7.1 General Fund			
Certificates of Islamic Investment	7.1.1	115,000	115,000
Pakistan Investment Bonds	7.1.2	128,741	130,170
Less: Maturing within one year, classified under short term investments	9.1	(32,987)	(33,153)
		95,754	97,017
Certificates of Deposit	7.1.3	21,046	20,259
		231,800	232,276

7.1.1 This represents investment in Certificates of Islamic Investment of a bank aggregating to Rs. 115 million (June 30, 2019: Rs. 115 million). These certificates carry profit at the rates ranging from 12.29% to 12.59% (June 30, 2019: 6.02% to 11.47%) per annum receivable on monthly basis and are maturing on various dates upto February 16, 2024.

7.1.2 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 122.86 million (June 30, 2019: Rs. 122.86 million). Profit is receivable on half yearly basis, with yield at the rates ranging from 6.99% to 8.02% (June 30, 2019: 6.99% to 8.02%) per annum. These PIBs have term of five years and are maturing on various dates upto July 19, 2022.

7.1.3 This represents investment in Certificates of Deposit of a financial institution aggregating to Rs. 15 million (June 30, 2019: Rs. 15 million). These certificates carry mark-up at the rate of 10.42% (June 30, 2019: 10.42%) per annum receivable on maturity and are maturing on February 19, 2021. Accrued mark-up aggregating to Rs. 6.05 million (June 30, 2019: Rs. 5.26 million) is included in the carrying value.

7.2 Specific Fund: Prize Fund	Note	December 31,	June 30,
		2019	2019
		Un-audited	Audited
		----- Rupees in '000 -----	
Certificate of Islamic Investment	7.2.1	1,000	1,000
Pakistan Investment Bond	7.2.2	1,375	1,395
Less: Maturing within one year, classified under short term investments	9.2	(470)	(473)
		905	922
		1,905	1,922

- 7.2.1 This represents investment in Certificate of Islamic Investment of a bank amounting to Rs. 1 million (June 30, 2019: Rs. 1 million). This certificate carries profit at the rates ranging from 12.29% to 12.59% (June 30, 2019: 6.02% to 11.47%) per annum receivable on monthly basis and is maturing on February 13, 2022.
- 7.2.2 This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 1.29 million (June 30, 2019: Rs. 1.29 million). Profit is receivable on half yearly basis, with yield at the rate of 7.20% to 8.02% (June 30, 2019: 7.20% to 8.02%) per annum. These PIBs have a term of five years and are maturing on July 19, 2022.

	December 31, 2019 Un-audited	June 30, 2019 Audited
Note	----- Rupees in '000 -----	
7.3 Endowment Funds		
Students' Endowment Fund		
Certificates of Islamic Investment	7.3.1 42,000	42,000
Pakistan Investment Bonds	7.3.2 60,157	61,258
Less: Maturing within one year, classified under short term investments	9.3 (847)	(851)
	59,310	60,407
Libraries Development Fund		
Pakistan Investment Bonds	7.3.3 7,314	7,424
Less: Maturing within one year, classified under short term investments	9.3 (1,881)	(1,891)
	5,433	5,533
	<u>106,743</u>	<u>107,940</u>

- 7.3.1 This represents investment in Certificates of Islamic Investment of a bank aggregating to Rs. 42 million (June 30, 2019: Rs. 42 million). Profit is receivable on monthly basis at the rates ranging from 12.29% to 12.59% (June 30, 2019: 6.02% to 11.47%) per annum and are maturing on various dates upto June 30, 2022.
- 7.3.2 This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 54.91 million (June 30, 2019: Rs. 54.91 million). Profit is receivable on half yearly basis, with yield at the rates ranging from 7.20% to 8.02% (June 30, 2019: 7.20% to 8.02%) per annum. These PIBs have a term of five years and are maturing on July 19, 2022.
- 7.3.3 This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 6.830 million (June 30, 2019: Rs. 6.830 million). Profit is receivable on half yearly basis, with yield at the rates ranging from of 7.02% to 8.02% (June 30, 2019: 7.20% to 8.02%) per annum. These PIBs have a term of five years and are maturing on July 19, 2022.

		December 31, 2019 Un-audited ----- Rupees in '000 -----	June 30, 2019 Audited
7.4 At fair value through other comprehensive income			
Benevolent Fund			
Investments in equity shares			
The Hub Power Company Limited			
As on 01-July		3,532	3,687
Add: Right shares subscribed during the period / year (June 30, 2019: 4,839)		-	242
Surplus / (Deficit) on re-measurement		655	(397)
Market value of 44,839 ordinary shares (June 30, 2019: 44,839 ordinary shares)		4,187	3,532
Fauji Fertilizer Company Limited			
As on 01-July		1,025	1,163
Surplus / (Deficit) on re-measurement		168	(138)
Market value of 11,767 ordinary shares (June 30, 2019: 11,767 ordinary shares)		1,193	1,025
		<u>5,380</u>	<u>4,557</u>
8. STOCK OF STUDY PACKS, PUBLICATIONS AND SOUVENIRS			
Stock of study packs		19,757	9,728
Stock of publications and souvenirs		12,204	6,883
		<u>31,961</u>	<u>16,611</u>
Less: Provision for obsolete stock		(1,966)	(1,277)
		<u>29,995</u>	<u>15,334</u>
9. SHORT TERM INVESTMENTS			
At amortised cost			
General Fund	9.1	519,759	285,741
Specific Fund: Prize Fund	9.2	3,172	3,247
Endowment Funds	9.3	66,769	32,126
Southern Regional Committee	9.4	20,507	23,230
Northern Regional Committee	9.5	5,003	5,003
Benevolent Fund	9.6	144,181	129,056
		<u>759,391</u>	<u>478,403</u>
9.1 General Fund			
Certificates of Islamic Investment	9.1.1	486,772	252,588
Pakistan Investment Bonds	7.1	32,987	33,153
		<u>519,759</u>	<u>285,741</u>

9.1.1 This represents investment in Certificates of Islamic Investment of banks having aggregate face value of Rs. 486.50 million (June 30, 2019: Rs. 250 million). These certificates carry profit at the rates ranging from 12.50% to 13.25% (June 30, 2019: 11.00% to 13.50%) per annum receivable on maturity and are maturing on various dates upto December 30, 2020. Accrued profit aggregating Rs. 0.272 million (June 30, 2019: Rs. 2.59 million) is included in the carrying value.

		December 31, 2019	June 30, 2019
		Un-audited	Audited
	Note	----- Rupees in '000 -----	
9.2 Specific Fund: Prize Fund			
Certificate of Islamic Investment	9.2.1	2,702	2,774
Pakistan Investment Bond	7.2	470	473
		<u>3,172</u>	<u>3,247</u>

9.2.1 This represents investment in Certificate of Islamic Investment of a bank, having aggregate face value of Rs. 2.70 million (June 30, 2019: 2.70 million). This certificate carries mark-up at the rate of 12.50% (June 30, 2019: 11%) per annum receivable on maturity and are maturing on June 28, 2020. Accrued profit amounting to Rs. 0.002 million (June 30, 2019: Rs. 0.074 million) is included in the carrying value.

		December 31, 2019	June 30, 2019
		Un-audited	Audited
	Note	----- Rupees in '000 -----	
9.3 Endowment Funds			
Students' Endowment Fund			
Certificate of Islamic Investment	9.3.1	64,041	29,384
Pakistan Investment Bond	7.3	847	851
		64,888	30,235
Libraries Development Fund			
Pakistan Investment Bond	7.3	1,881	1,891
		<u>66,769</u>	<u>32,126</u>

9.3.1 This represents investment in Certificates of Islamic Investment, issued by banks having face value aggregating to Rs. 64.0 million (June 30, 2019: Rs. 28.60 million). These certificates carry profit at the rates ranging from of 12.50% to 13.25% (June 30, 2019: 11%) per annum receivable on maturity and are maturing on various dates upto December 30, 2020. Accrued profit amounting to Rs. 0.041 million (June 30, 2019: Rs. 0.78 million) is included in the carrying value.

		December 31, 2019	June 30, 2019
		Un-audited	Audited
	Note	----- Rupees in '000 -----	
9.4 Southern Regional Committee			
Certificates of Islamic Investment	9.4.1	20,507	23,230

9.4.1 This represents investment in Certificates of Islamic Investment, issued by a bank having face value aggregating to Rs. 20.5 million (June 30, 2019: Rs. 23.2 million). These certificates carry profit at the rate 13.25% (June 30, 2019: 4.80% to 13.00%) per annum receivable on maturity and are maturing on various dates upto December 30, 2020. Accrued profit amounting to Rs. 0.007 million (June 30, 2019: Rs. 0.03 million) is included in the carrying value.

		December 31, 2019	June 30, 2019
		Un-audited	Audited
	Note	----- Rupees in '000 -----	
9.5 Northern Regional Committee			
Certificates of Islamic Investment	9.5.1	5,003	5,003
9.5.1	This represents Certificates of Islamic Investment having face value of Rs. 5.00 million (June 30, 2019: Rs. 5.00 million). This certificate carries profit at the rate of 12.5% (June 30, 2019: 10.75%) per annum receivable on maturity and are maturing on June 28, 2020. Accrued profit amounting to Rs. 0.003 million (June 30, 2019: Rs. 0.003 million) is included in the carrying value.		
		December 31, 2019	June 30, 2019
		Un-audited	Audited
	Note	----- Rupees in '000 -----	
9.6 Benevolent Fund			
Certificate of Islamic Investment	9.6.1	138,095	123,291
Defence Savings Certificates	9.6.2	6,086	5,765
		<u>144,181</u>	<u>129,056</u>
9.6.1	This represents Certificates of Islamic Investment having face value of Rs. 138 million (June 30, 2019: Rs. 120 million). These certificates carry profit at the rate of 12.5% (June 30, 2019: 11%) per annum receivable on maturity and are maturing on June 28, 2020. Accrued profit amounting to Rs. 0.095 million (June 30, 2019: Rs. 3.29 million) is included in the carrying value.		
9.6.2	This represents investment in Defence Savings Certificates, having aggregate face value of Rs. 2 million (June 30, 2019: Rs. 2 million). These certificates have been placed for a term of ten years, maturing on April 6, 2020. These certificates carry mark-up at the rate of 12.10% (June 30, 2019: 12.10%) per annum receivable on maturity. Accrued mark-up aggregating to Rs. 4.09 million (June 30, 2019: Rs. 3.77 million) is included in the carrying value.		
		December 31, 2019	June 30, 2019
		Un-audited	Audited
	Note	----- Rupees in '000 -----	
10. CASH AND BANK BALANCES			
Cash in hand			
Local currency		420	527
Foreign currency		-	370
		<u>420</u>	<u>897</u>
Cash at bank			
Current accounts			
Local currency		4,216	5,121
Foreign currency		155	160
		4,371	5,281
PLS accounts			
Local currency	10.1	45,236	12,904
Foreign currency	10.2	1,528	1,545
		<u>46,764</u>	<u>14,449</u>
		<u>51,555</u>	<u>20,627</u>
10.1	These carry profit rates up to 12.5% per annum (June 30, 2019: 11.40% per annum).		
10.2	These carry profit rates up to 0.10% per annum (June 30, 2019: 0.10% per annum).		

		December 31, 2019	June 30, 2019
		Un-audited	Audited
	Note	----- Rupees in '000 -----	
11. LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS			
Lease liabilities against right of use assets	3.2	16,174	-
Less: Current portion		(5,209)	-
		<u>10,965</u>	<u>-</u>

12. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors	34,122	53,878
Accrued liabilities	60,246	57,612
Other liabilities:		
Retention money	536	436
IFRS Foundation royalty	630	282
Others	13,830	7,446
	<u>14,996</u>	<u>8,164</u>
	<u>109,364</u>	<u>119,654</u>

13. CONTINGENCIES AND COMMITMENTS

- 13.1 There is no significant change in the status of contingencies as reported in note 16 to the annual audited financial statements of the Institute for the year ended June 30, 2019.
- 13.2 Commitments in respect of capital expenditure as at reporting date aggregated to Rs. 19.28 million (June 30, 2019: Rs. 15.50 million).

14. OTHER INCOME

	Quarter ended		Half year ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Un-audited	Un-audited	Un-audited	Un-audited
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Income derived from utilization of facilities	1,630	1,342	2,104	2,321
Gain on sale of Property and equipment	21	2,163	23	2,978
Net surplus on Directors' Training Programs	724	2,718	724	4,878
Donation received	-	339	991	550
Miscellaneous	138	120	284	256
	<u>2,513</u>	<u>6,682</u>	<u>4,126</u>	<u>10,983</u>

15. RENT, RATES AND TAXES

This includes rentals amounting to Rs. 7.4 million related to short term property leases.

16. OTHERS	Quarter ended		Half year ended	
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
	Un-audited	Un-audited	Un-audited	Un-audited
----- Rupees in '000 -----		----- Rupees in '000 -----		
Fees to professional bodies	2,054	1,581	4,113	3,163
Auditors' remuneration	276	250	588	534
Meetings and related expenses / entertainment	2,192	1,939	3,537	3,124
Books and publications	176	185	411	417
Bank charges	2,298	1,485	5,903	4,492
Insurance	929	891	1,839	1,709
Provision for obsolete stock of study packs, publications and souvenirs	689	265	689	292
Provision against advance income tax	-	611	285	1,049
Training expenses	875	660	1,446	912
Online education and research facility	639	507	1,267	979
Sports and recreation	21	107	1,357	1,351
Net deficit from Continuing Professional Development (CPD) and other events	7,333	4,621	10,881	9,913
Net deficit on FRED Conference 2018	-	-	-	2,139
Registration fee - World Congress of Accountants	-	1,249	-	1,249
Sundry expenses	1,346	1,077	1,931	1,431
	<u>18,828</u>	<u>15,428</u>	<u>34,247</u>	<u>32,754</u>

17. CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise of following:

	December 31,	December 31,
	2019	2018
	Un-audited	Audited
----- Rupees in '000 -----		
Cash and bank balances	51,555	79,112
Short term investments realisable within three months	295,862	206,322
	<u>347,417</u>	<u>285,434</u>

18. TRANSACTIONS WITH RELATED PARTIES

18.1 Transactions with related parties are as follows:

Relationship with the Institute	Nature of transactions	December 31,	December 31,
		2019	2018
		Un-Audited	Un-Audited
		----- Rupees in '000 -----	
Staff retirement benefit plans	Contribution paid to Provident Fund	9,642	9,097
Key management personnel: Secretary, Directors and Senior Managers	Managerial remuneration	88,729	91,206
Members of the Council	Membership fee received	756	574

18.2 Period / year end balances:

Relationship with the Institute	Nature of balances	December 31, 2019 Un-audited ----- Rupees in '000 -----	June 30, 2019 Audited
Key management personnel			
Secretary, Directors and Senior Managers	Loans and advances	2,415	955
	Other liabilities	742	742

19. FINANCIAL RISK MANAGEMENT

The Institute's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

This condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Institute's audited annual financial statements for the year ended June 30, 2019.

There have been no significant changes in the risk management policies since the year end.

20. SEGMENT INFORMATION

Management has determined the operating segments based on the information that is presented to the Council of the Institute for allocation of resources and assessment of performance. The Institute is organised into following operating segments:

(a) Service segments:

The Institute has following four reportable segments on the basis of services characteristics:

(i) Examination (ii) Education (iii) Membership (iv) Administrative/General Services

(b) Geographical segments:

The Institute has following geographical segments representing 10% or more of the total income:

(i) Karachi (ii) Lahore (iii) Islamabad and Rawalpindi (iv) Others including overseas

This information is also presented under two regions:

(i) South (includes provinces, namely, Sindh and Balochistan) and

(ii) North (includes provinces, namely, Punjab, Khyber Pakhtunkhwa, Gilgit Baltistan and Azad Kashmir).

20.1 Service segment

20.1.1 Basis of allocation

Income and expenditures related to service provided/rendered directly to students are allocated to Examination and Education whereas members related income and expenditure are allocated directly to Membership. Remaining income and expenditure are allocated to Administrative/General Services.

20.1.2 Segment revenue and results

	----- Un-audited -----					----- Un-audited -----				
	For the half year ended December 31, 2019					For the half year ended December 31, 2018				
	Examination	Education	Membership	Administrative/General Services	Total	Examination	Education	Membership	Administrative/General Services	Total
	----- Rs. in '000 -----									
Income										
from members	-	-	208,697	-	208,697	-	-	173,990	-	173,990
from students	421,926	150,852	-	-	572,778	341,694	110,606	-	-	452,300
others	-	-	-	10,704	10,704	-	-	-	15,833	15,833
Total income	421,926	150,852	208,697	10,704	792,179	341,694	110,606	173,990	15,833	642,123
Expenditure (Note 20.1.3)	(173,860)	(91,755)	(120,186)	(142,008)	(527,809)	(147,672)	(80,457)	(105,760)	(118,882)	(452,771)
	248,066	59,097	88,511	(131,304)	264,370	194,022	30,149	68,230	(103,049)	189,352
Income from investments and surplus/(deficit) on re-measurement of financial assets at fair value through other comprehensive income					66,971					29,648
Excess of income over expenditure					<u>331,341</u>					<u>219,000</u>

20.1.3 Expenditure

Salaries, allowances, and other benefits	43,653	30,137	55,392	71,227	200,409	47,866	31,691	47,469	59,908	186,934
Examination charges	101,611	-	-	-	101,611	72,735	-	-	-	72,735
Depreciation	4,233	2,693	3,270	9,041	19,237	4,084	2,287	2,614	7,351	16,336
Traveling and related expenses	339	115	13,595	650	14,699	4,711	797	12,169	2,162	19,839
Study packs and other publications	-	28,538	554	5,152	34,244	-	21,481	-	4,828	26,309
Utilities	4,190	2,667	3,238	8,952	19,047	3,683	2,062	2,357	6,628	14,730
Network and communication	2,258	1,436	1,744	4,822	10,260	2,064	1,174	1,281	3,700	8,219
Repairs and maintenance	6,013	3,826	4,646	12,846	27,331	5,519	3,091	3,532	9,935	22,077
Printing and stationery	1,488	2,928	1,876	2,955	9,247	1,371	1,078	1,065	2,395	5,909
Rent, rates and taxes	16	7	21	8,304	8,348	20	14	17	9,257	9,308
Advertisement and marketing	-	4,423	-	2,020	6,443	-	6,149	-	570	6,719
Amortisation of intangible assets	344	219	266	736	1,565	427	239	273	768	1,707
Financial assistance to students	-	6,266	-	-	6,266	-	2,978	-	-	2,978
Financial assistance to members / members' families	-	-	13,693	-	13,693	-	-	11,746	-	11,746
Members induction ceremony	4,173	-	-	-	4,173	-	-	-	-	-
Edhi CA talent program	-	4,420	-	-	4,420	-	4,022	-	-	4,022
Vehicles maintenance and running cost	1,551	757	1,734	2,138	6,180	1,419	715	1,370	1,734	5,238
Legal charges	-	-	2,003	-	2,003	-	-	2,388	300	2,688
Professional charges	695	442	537	1,485	3,159	633	360	393	1,137	2,523
Interest expense on lease liabilities against RoU assets	-	-	-	1,227	1,227	-	-	-	-	-
Others (Note 16)	3,296	2,881	17,617	10,453	34,247	3,140	2,319	19,086	8,209	32,754
Total expenditures	173,860	91,755	120,186	142,008	527,809	147,672	80,457	105,760	118,882	452,771

	----- Un-audited -----					----- Audited -----				
	As at December 31, 2019					As at June 30, 2019				
	Examination	Education	Membership	Administrative/General Services	Total	Examination	Education	Membership	Administrative/General Services	Total
	----- Rs. in '000 -----									

20.1.4 Other Information

Segments assets employed	48,174	39,597	33,353	665,393	786,517	42,458	23,093	35,508	645,245	746,304
Unallocated assets					1,187,621					862,112
Total assets					<u>1,974,138</u>					<u>1,608,416</u>
Segments liabilities employed	104,987	2,866	6,696	81,193	195,742	35,974	16,329	36,889	88,343	177,535
Unallocated liabilities					16,174					-
					<u>211,916</u>					<u>177,535</u>

Segments assets employed consist of property and equipment, loans, advances, deposits, prepayments and other receivables and stock of study packs, publications and souvenirs. Unallocated assets consist of intangible assets, short and long term investments, accrued income on investments and cash and bank balances.

Segments liabilities employed consist of creditors, accrued and other liabilities and fees received in advance with respect to examination and membership. Unallocated liabilities consist of liabilities against right of use assets

20.2 Geographical segments:

20.2.1 Basis of allocation

Service provided/rendered directly to students are allocated on the basis of number of students whereas services to members are allocated on the basis of number of members at each geographical segment.

----- Un-audited -----									
For the half year ended December 31, 2019					For the half year ended December 31, 2018				
Karachi	Lahore	Islamabad and Rawalpindi	Other locations	Total	Karachi	Lahore	Islamabad and Rawalpindi	Other locations	Total
----- Rs. in '000 -----									

20.2.2 Segment revenue and results

Income										
from members	85,946	41,403	21,258	60,090	208,697	71,648	34,525	17,725	50,092	173,990
from students	141,436	222,893	106,128	102,321	572,778	134,451	169,758	77,248	70,843	452,300
other general services - unallocated	-	-	-	-	10,704	-	-	-	-	15,833
					792,179					642,123
Allocated expenditure - Members and students (Note: 20.2.3)	(115,085)	(127,206)	(61,455)	(82,055)	(385,801)	(83,022)	(121,296)	(57,160)	(72,411)	(333,889)
Unallocated expenditure - General services					(142,008)					(118,882)
					(527,809)					(452,771)
Income from investments and surplus/(deficit) on re-measurement of financial assets at fair value through other comprehensive income					66,971					29,648
Excess of income over expenditure					331,341					219,000

20.2.3 Expenditure

Salaries, allowances and other benefits	160,298	23,476	10,173	6,462	200,409	151,858	20,975	9,431	4,670	186,934
Examination charges	25,091	39,541	18,827	18,152	101,611	19,155	27,783	13,385	12,412	72,735
Depreciation	13,673	2,956	1,425	1,183	19,237	11,270	2,584	1,257	1,225	16,336
Traveling and related expenses	6,199	6,123	1,629	748	14,699	9,222	7,404	2,341	872	19,839
Study packs and other publications	14,841	9,707	4,820	4,876	34,244	11,350	7,749	3,650	3,560	26,309
Utilities	9,931	4,860	1,390	2,866	19,047	8,548	2,639	1,462	2,081	14,730
Network and communication	7,618	1,321	572	749	10,260	6,191	1,032	498	498	8,219
Repairs and maintenance	13,126	7,081	2,345	4,779	27,331	11,465	4,583	2,272	3,757	22,077
Printing and stationery	7,823	1,142	96	186	9,247	4,896	722	103	188	5,909
Rent, rates and taxes	2,355	29	192	5,772	8,348	2,249	1,316	86	5,657	9,308
Advertisement and marketing	3,854	1,338	95	1,156	6,443	4,870	1,561	157	131	6,719
Amortisation of intangible assets	1,162	202	87	114	1,565	1,286	214	103	104	1,707
Financial assistance to students	249	4,187	761	1,069	6,266	155	2,073	515	235	2,978
Financial assistance to members / members' families	6,761	3,908	2,451	573	13,693	5,414	3,733	1,633	966	11,746
Members induction ceremony	2,653	1,520	-	-	4,173	-	-	-	-	-
Edhi CA talent program	1,409	1,148	447	1,416	4,420	1,469	1,035	217	1,301	4,022
Vehicles maintenance and running cost	4,984	901	109	186	6,180	4,381	622	98	137	5,238
Legal charges	2,003	-	-	-	2,003	2,388	300	-	-	2,688
Professional charges	2,346	407	176	230	3,159	1,900	317	153	153	2,523
Interest expense on lease liabilities against RoU assets	-	1,125	-	102	1,227	-	-	-	-	-
Others (Note 16)	26,523	6,261	870	593	34,247	28,203	3,278	922	351	32,754
Expenditure - as and where incurred	312,899	117,233	46,465	51,212	527,809	286,270	89,920	38,283	38,298	452,771
Inter-segment allocation / transfer to unallocated	(197,814)	9,973	14,990	30,843	(142,008)	(203,248)	31,376	18,877	34,113	(118,882)
Allocated expenditure - Members and students	115,085	127,206	61,455	82,055	385,801	83,022	121,296	57,160	72,411	333,889
Unallocated expenditure - General services					142,008					118,882
Total expenditure					527,809					452,771

----- Un-audited -----					----- Audited -----				
As at December 31, 2019					As at June 30, 2019				
Karachi	Lahore	Islamabad and Rawalpindi	Other locations	Total	Karachi	Lahore	Islamabad and Rawalpindi	Other locations	Total
----- Rs. in '000 -----									

20.2.4 Other Information

Segments assets employed	231,327	502,560	30,878	21,752	786,517	204,691	493,450	28,545	19,618	746,304
Unallocated assets					1,187,621					862,112
Total assets					1,974,138					1,608,416
Segments liabilities employed	106,807	1,160	585	812	109,364	112,871	4,680	1,192	911	119,654
Unallocated liabilities					102,552					57,881
Total liabilities					211,916					177,535

Segments assets employed consist of property and equipment, loans, advances, deposits, prepayments and other receivables and stock of study packs, publications and souvenirs. Unallocated assets consist of intangible assets, short and long term investments, accrued income on investments and cash and bank balances.

Segments liabilities employed consist of creditors, accrued and other liabilities. Unallocated liabilities consist of liabilities against right of use assets and fees received in advance with respect to examination and membership.

----- Un-audited -----					
For the half year ended December 31, 2019			For the half year ended December 31, 2018		
South	North	Total	South	North	Total
----- Rs. 000 -----					

20.2.5 Segment revenue and results

Income						
from members	115,989	92,708	208,697	98,026	75,964	173,990
from students	139,704	433,074	572,778	144,118	308,182	452,300
other general services - unallocated			10,704	-	-	15,833
			792,179			642,123
Allocated expenditure - Members and students (Note: 20.2.6)	(131,582)	(254,219)	(385,801)	(104,207)	(229,682)	(333,889)
Unallocated expenditure - General services			(142,008)			(118,882)
			(527,809)			(452,771)
Income from investments and surplus/(deficit) on re-measurement of financial assets at fair value through other comprehensive income			66,971			29,648
Excess of income over expenditure			331,341			219,000

20.2.6 Expenditure

Salaries, allowances and other benefits	162,025	38,384	200,409	153,064	33,870	186,934
Examination charges	26,507	75,104	101,611	20,142	52,593	72,735
Depreciation	13,958	5,279	19,237	11,361	4,975	16,336
Traveling and related expenses	6,671	8,028	14,699	9,688	10,151	19,839
Study packs and other publications	15,375	18,869	34,244	11,681	14,628	26,309
Utilities	10,156	8,891	19,047	8,799	5,931	14,730
Network and communication	7,838	2,422	10,260	6,334	1,885	8,219
Repairs and maintenance	13,821	13,510	27,331	12,102	9,975	22,077
Printing and stationery	7,843	1,404	9,247	4,938	971	5,909
Rent, rates and taxes	2,706	5,642	8,348	2,964	6,344	9,308
Advertisement and marketing	3,930	2,513	6,443	4,899	1,820	6,719
Amortisation of intangible assets	1,196	369	1,565	1,315	392	1,707
Financial assistance to students	299	5,967	6,266	155	2,823	2,978
Financial assistance to members / members' families	6,761	6,932	13,693	5,414	6,332	11,746
Members induction ceremony	2,653	1,520	4,173	-	-	-
Edhi CA talent program	1,411	3,009	4,420	1,563	2,459	4,022
Vehicles maintenance and running cost	5,003	1,177	6,180	4,405	833	5,238
Legal charges	2,003	-	2,003	2,388	300	2,688
Professional charges	2,413	746	3,159	1,944	579	2,523
Interest expense on lease liabilities against RoU assets	102	1,125	1,227	-	-	-
Others (Note 16)	26,654	7,593	34,247	28,269	4,485	32,754
Expenditure - as and where incurred	319,325	208,484	527,809	291,425	161,346	452,771
Inter-segment allocation / transfer to unallocated	(187,743)	45,735	(142,008)	(187,218)	68,336	(118,882)
Allocated expenditure - Members and students	131,582	254,219	385,801	104,207	229,682	333,889
Unallocated expenditure - General services			142,008			118,882
Total expenditure			527,809			452,771

----- Un-audited -----			----- Audited -----		
As at December 31, 2019			As at June 30, 2019		
South	North	Total	South	North	Total
----- Rs. 000 -----					

20.2.7 Other Information

Segments assets employed	232,744	553,773	786,517	206,002	540,302	746,304
Unallocated assets			1,187,621			862,112
Total assets			1,974,138			1,608,416
Segments liabilities employed	106,807	2,557	109,364	112,871	6,783	119,654
Unallocated liabilities			102,552			57,881
Total liabilities			211,916			177,535

Segments assets employed consist of property and equipment, loans, advances, deposits, prepayments and other receivables and stock of study packs, publications and souvenirs. Unallocated assets consist of intangible assets, short and long term investments, accrued income on investments and cash and bank balances.

Segments liabilities employed consist of creditors, accrued and other liabilities. Unallocated liabilities consist of liabilities against right of use assets and fees received in advance with respect to examination and membership.

21. SEASONALITY

The Institutes' surplus is subject to periodical fluctuation due to the fact that most of the membership subscription is received in the early part of the financial year.

22. CORRESPONDING FIGURE

Corresponding figures have been re-arranged and / or re-classified for the purpose of better presentation. Expenditure have been classified under the two categories: "Service / Operational Expenditure" and "Administrative / Managerial Expenditure" to reflect more appropriately the functional attributes of the expenses. Following major re-classifications have been made during the period:

S. No.	From	To	Amount Rs. '000
1.	Salaries, allowances and other benefits (Classified as Expenditure)	Salaries, allowances and other benefits (Classified as Service/Operational expenditure)	138,812
		Salaries, allowances and other benefits (Classified as Administrative/Managerial expenditure)	48,122
2.	Traveling and related expenses (Classified as Expenditure)	Traveling and related expenses (Classified as Service/Operational expenditure)	19,256
		Traveling and related expenses (Classified as Administrative/Managerial expenditure)	583
3.	Vehicles maintenance and running cost (Classified as Expenditure)	Vehicles maintenance and running cost (Classified as Service/Operational expenditure)	3,912
		Vehicles maintenance and running cost (Classified as Administrative/Managerial expenditure)	1,326
4.	Postage & Telephone (Classified as Expenditure)	Network and communication (Classified as Service/Operational expenditure)	8,219
		Professional charges (Classified as Service/Operational expenditure)	677
5.	Professional charges (Classified as Expenditure)	Legal charges (Classified as Service/Operational expenditure)	170
6.	Chapter expenses (Classified as other expenditure)	Net deficit from Continuing Professional Development (CPD) and other events	2,465
		Professional charges (Classified as Service/Operational expenditure)	465

23. AUTHORISATION FOR ISSUE

The Council of the Institute authorised this condensed interim financial information for issue on February 29, 2020.

CHIEF FINANCIAL OFFICER

SECRETARY

PRESIDENT